

# FISCAL NOTE

**Bill #:** HB0140

**Title:** Revise lottery laws

**Primary**

**Sponsor:** Robert J. "Bob" Pavlovich

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>	\$0	(\$36,055)
<b>Revenue:</b>		
State Special Revenue	\$0	\$36,055
Other	12,000	12,000
<b>Net Impact on General Fund Balance:</b>	<b>\$12,000</b>	<b>\$48,055</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Commerce, Montana Lottery**

1. The Lottery will sell approximately \$1,000 per month in tickets as a result of these statutory changes.
2. Existing staff, equipment, and any related expenditures will be funded from current operations, so the full \$12,000 per year in ticket sales will be transferred to the general fund.

#### **Legislative Audit Division**

3. The financial-compliance audit work will continue, as contracted audit services.
4. The lottery observation audit work will continue, as contracted audit services.
5. The lottery security audit would not be conducted in the 2001 biennium, resulting in a \$36,055 state special revenue reduction.

(continued)

6. No additional FTE were added upon passage of audit requirements, therefore, there are no anticipated decreases in personal services expenditures. Current staff will assume other duties as prioritized by the Legislative Audit Committee.

FISCAL IMPACT:

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
<u>Revenues:</u>		
State Special Revenue	\$0	(\$36,055)
Other Revenue	12,000	12,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	12,000	48,055

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

This change would result in a loss of revenue to the City of Red Lodge through resort tax collection. Based on estimated calendar year 1998 sales for licensed lottery retailers in Red Lodge, the loss is an estimated \$4,700 each year of the biennium. Other areas collecting the resort tax do not tax lottery tickets.

LONG-RANGE IMPACTS:

Beginning with FY 2004 and FY 2005, the Lottery audit appropriation may be reduced by approximately \$40,000 in every other biennium as a result of these statutory changes.